

KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 021

SPI - General Apportionment

Recommendation Summary

Dollars in Thousands

| | Annual FTEs General Fund State | Other Funds | Total Funds |
|--|--------------------------------|-------------|-------------|
| 2005-07 Expenditure Authority | 8,423,967 | | 8,423,967 |
| Supplemental Changes | | | |
| Pension Plan 1 Unfunded Liability | | 28,422 | 28,422 |
| Pension Rate Correction | (914) | | (914) |
| Enrollment/Workload Adjustment, SPI | 36,336 | | 36,336 |
| K-12 Inflation | 11,557 | | 11,557 |
| Subtotal - Supplemental Changes | 46,979 | 28,422 | 75,401 |
| Total Proposed Budget | 8,470,946 | 28,422 | 8,499,368 |
| Difference | 46,979 | 28,422 | 75,401 |
| Percent Change | 0.6% | 100.0% | 0.9% |

SUPPLEMENTAL CHANGES

Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

Enrollment/Workload Adjustment, SPI

Public school enrollment growth is higher than anticipated by 2,670 full time equivalent students in the 2005-06 school year (from 969,234 to 971,904) and by 5,773 full time equivalent students in the 2006-07 school year (from 972,226 to 977,999). This requires a \$36.6 million increase in funding for the General Apportionment activity this biennium.

K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.